

**BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA**



**FILED**

04/07/21  
04:59 PM

Order Instituting Investigation on the  
Commission's Own Motion on the Late  
2019 Public Safety Power Shutoff Events.

Investigation 19-11-013

**SAN DIEGO GAS & ELECTRIC COMPANY'S (U 902 E) RESPONSE TO EMAIL  
RULING DIRECTING AN ACCOUNTING OF IMPACT ON REVENUE  
COLLECTIONS FROM THE 2019 & 2020 PUBLIC SAFETY POWER SHUTOFF  
EVENTS**

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April 7, 2021

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**I. INTRODUCTION**

On March 10, 2021, Administrative Law Judge (“ALJ”) Regina A. DeAngelis issued an email ruling (“Ruling”) directing Pacific Gas and Electric Company (“PG&E”) and San Diego Gas & Electric Company (“SDG&E”) to provide an accounting of the Public Power Shutoff (“PSPS”) events that occurred in their service territories in calendar year 2019 and in calendar year 2020 and how those PSPS events impacted revenue collections. The Ruling authorized, but did not require, PG&E and SDG&E to employ a method similar to the accounting presented by Southern California Edison Company (“SCE”) SCE in its 2019 Energy Resource Recovery Account (“ERRA”) Review Application (“A.”) 20-04-002. On March 19, 2021, ALJ DeAngelis granted, in part, PG&E and SDG&E’s motion for an extension of time – *to April 7, 2021* – to comply with the Ruling.

In accordance with the Ruling, SDG&E hereby submits an accounting of the PSPS events that occurred in its service territory in 2019 and 2020 and an estimate of how these events impacted SDG&E’s revenue collections.

## II. ACCOUNTING OF PSPS EVENTS IN 2019

### A. Summary of PSPS Events in 2019

In 2019, SDG&E activated four PSPS events in response to adverse weather and fire potential indices. Table 1 below provides the dates of each PSPS event in SDG&E's territory in 2019, along with the number of customers impacted per SDG&E's Post-PSPS Event Reports. More information on SDG&E's PSPS events can be found in SDG&E's Post-PSPS Event Reports.<sup>1</sup>

*Table 1 - Summary of 2019 Impacted Customers per Post-PSPS Event Reports*

	Number of Impacted Customers Per Post-PSPS Event Reports		
2019 Events	Residential	Commercial/ Industrial	Total
October 10-11 <sup>2</sup>	328	67	395
October 24-26 <sup>3</sup>	13,624	3,437	17,061
October 28-November 1 <sup>4</sup>	23,177	4,529	27,706
November 17-18 <sup>5</sup>	14	7	21
Total	37,143	8,040	45,183

<sup>1</sup> As required by Resolution ESRB-8 and D.19-05-042 and archived at <https://www.sdge.com/rates-and-regulations>.

<sup>2</sup> SDG&E Report on Public Safety Power Shutoff Event: October 10–11, 2019, filed on October 25, 2019, page 6, [https://www.sdge.com/sites/default/files/pssp\\_report.pdf](https://www.sdge.com/sites/default/files/pssp_report.pdf)

<sup>3</sup> SDG&E Report on Public Safety Power Shutoff Event: October 20–November 1, 2019, filed on November 15, 2019, pages 25-27, [https://www.sdge.com/sites/default/files/SDGE%20Post-Event%20PSPS%20Report\\_October%2020November%201.pdf](https://www.sdge.com/sites/default/files/SDGE%20Post-Event%20PSPS%20Report_October%2020November%201.pdf)

<sup>4</sup> SDG&E Report on Public Safety Power Shutoff Event: October 20–November 1, 2019, filed on November 15, 2019, pages 25-27, [https://www.sdge.com/sites/default/files/SDGE%20Post-Event%20PSPS%20Report\\_October%2020November%201.pdf](https://www.sdge.com/sites/default/files/SDGE%20Post-Event%20PSPS%20Report_October%2020November%201.pdf)

<sup>5</sup> SDG&E Report on Public Safety Power Shutoff Event: November 17–18, 2019, filed on December 3, 2019, page 8, [https://www.sdge.com/sites/default/files/SDG%26E\\_De-Energization\\_Report\\_November%2017%E2%80%9318\\_FINAL.pdf](https://www.sdge.com/sites/default/files/SDG%26E_De-Energization_Report_November%2017%E2%80%9318_FINAL.pdf)

**B. SDG&E's Proposed Methodology for the Estimation of Unrealized Sales Associated with PSPS Events in 2019**

As an initial matter, SDG&E notes that during a PSPS event, it does not bill impacted customers. Rather, SDG&E has a billing process in place to monitor all customers impacted by a PSPS event and ensure that they are billed zero use during such an event.

Additionally, in any given period, SDG&E's electric sales will vary depending on a number of factors, including but not limited to weather, time of year, time of week, time of day, economic conditions, customer behavior, etc. As a result, any accounting of the impacts of PSPS events will necessarily be an estimate that is subject to uncertainty and highly dependent on assumptions used. Accordingly, SDG&E makes no assurances as to the accuracy of the estimated impacts described herein, and the limitations inherent in the forecast methodology described below should be considered when assessing whether any regulatory action is warranted in the first place. SDG&E follows all applicable statutory and regulatory directives when issuing a PSPS event. With this understanding, SDG&E has attempted to estimate the impact to billed revenues for customers impacted by PSPS events.

The following describes SDG&E's proposed methodology for the estimation of unrealized sales associated with PSPS events to support the accounting of potential impacts from PSPS events on revenue collections. SDG&E considered both SCE<sup>6</sup> and PG&E<sup>7</sup> previously submitted methodologies for the estimation of unrealized sales associated with PSPS events and discusses that review below. As a result of the review of these methodologies, SDG&E presents

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<sup>6</sup> A.20-04-002, filed April 1, 2020, pp. 177-181.

<sup>7</sup> PG&E Reply to Protests in A.20-02-009, filed April 13, 2020, pp. 1-3 to 1-8.

a methodology for estimating unrealized sales attributable to PSPS events which aligns with PG&E's proposed methodology, described further below.

SCE's approach to calculating the loss of load impacts for the 2019 events utilizes Dynamic Load Profiles ("DLPs"), which reflect average loads by customer by rate group. This approach presented several advantages, including utilizing public information already used for other regulatory purposes and the readiness of that data. However, review of SDG&E customers impacted by PSPS events in 2019 found that the use of DLPs which represent the average energy usage across all customer in each customer class, failed to adequately estimate unrealized sales from these impacted customers which did not behave similarly to those averages. Therefore, SDG&E does not recommend the application of this methodology in SDG&E's service territory for SDG&E's PSPS events.

Rather, SDG&E recommends the use of a methodology that utilizes a "baseline" reference based on recent historic individual customer data of the impacted customers, similar to the approach used by PG&E, for the estimation of unrealized sales. Like PG&E, SDG&E also compared the baseline to actual usage to ensure accuracy in load levels. The following sections describe SDG&E's assumptions and methodology for estimating the load loss to support estimations of revenue shortfall associated with SDG&E's PSPS events. SDG&E performed the following steps to estimate this revenue shortfall:

1. Develop an hourly baseline of electric consumption for each affected customer using recent historical data;
2. Estimate loss of load by subtracting electric consumption for customers in each event from the baseline calculated in Step 1; and

3. Quantify the revenue impact for each customer class by multiplying the results from Step 2 by the applicable energy rate.

First, SDG&E identifies specific customer accounts that were impacted by the PSPS events. Table 1 above provides the dates of each PSPS event, the number of customers impacted per SDG&E's Post-PSPS Event Reports. In comparison, Table 2 below summarizes the number of customers impacted by customer class and the average outage duration per our load loss estimate, in comparison to the Post-PSPS Event Reports.

*Table 2 - Impacted Customers with Identified Load Data PSPS Events in 2019*

	Number of Impacted Customers with Identified Load Data for Load Loss Estimate						
2019 Events	Residential	Small Commercial	M/L Commercial and Industrial	Agricultural	Lighting	Total	Average Outage Duration (Hours)
October 10-11	310	42	6	8	0	366	20.3
October 24-26	14,758	2,120	205	707	4	17,794	28.5
October 28-November 1	22,743	3,026	312	961	4	27,046	25.4
November 17-18	12	1	0	0	0	13	9.6
Total	37,823	5,189	523	1,676	8	45,219	

It should be noted that there is a difference between the number of impacted customers identified and the number of impacted customers that have been identified to have load information that is needed in to support the load estimation. Primary drivers for this difference include:

- A given PSPS event can span multiple days and have changing weather conditions and circumstances over the course of the event. To limit the impacts to customers, a PSPS event may result in more than one instance of PSPS for a given customer within an impacted area for a given event. As a result, the total number of impacted customers reported may be greater than the sum of total impacted customers for each event.
- Interval data is not available for all customers. In general, data may be unavailable either because an account is not metered, or because there was an issue with metering for those customers. Interval data is unavailable for 3,156 of meters, representing approximately 6 % of the affected total number of customers.

Second, SDG&E calculates consumption baselines for customers in each PSPS event in Table 2. SDG&E estimates loss of load by subtracting electric consumption in each event from the baseline. Table 3 below summarizes the unrealized sales for PSPS events by customer class. For example, if a baseline shows 500 kWh but during the event period only 100 kWh was consumed, the unrealized sales would be 400 kWh.

*Table 3 - PSPS Unrealized Sales (kWh) for PSPS 2019 Events by Customer Class*

2019 Events	Residential	Small Commercial	M/L Commercial and Industrial	Agricultural	Lighting
October 10-11	4,566	1,610	1,243	126	0
October 24-26	212,842	105,407	184,093	59,497	88
October 28-November 1	362,680	134,194	396,933	104,370	90
November 17-18	68	160	0	0	0
Total	580,156	241,371	582,269	163,993	178

Third, SDG&E quantified the revenue impact for each customer class by multiplying the results from step 2 by the applicable energy rates. Table 4 below shows the rates that were used to perform the calculation and the resulting unrealized sales revenues. The total of all unrealized revenues for 2019 was \$225,551.

*Table 4 - PSPS Calculation of Unrealized 2019 Revenues by Customer Class*

Customer Class Rates (\$/kWh) <sup>8</sup>	Residential (TOU-DR1)	Small Commercial (TOU-A)	M/L Commercial & Industrial (AL-TOU)	Agricultural (TOU-PA3)	Lighting (LS-1, LS-2)
CTC <sup>9</sup>	0.00072	0.00070	0.00066	0.00040	0.00005
LGC <sup>10</sup>	0.01234	0.00862	0.00880	0.00503	0.00829
EECC <sup>11</sup>	0.15986	0.15871	0.10246	0.11342	0.07169
Total	0.17292	0.16803	0.11192	0.11885	0.08002
Total Unrealized Sales (kWh)	580,156	241,371	582,269	163,993	178
Total Revenue Impact (\$) <sup>12</sup>	\$100,319	\$40,557	\$65,169	\$19,491	\$14

<sup>8</sup> Electric rates shown were approved in SDG&E Advice Letter (“AL”) 3377-E for rates effective June 1, 2019.

<sup>9</sup> Ongoing Competition Transition Charges (“CTC”).

<sup>10</sup> Local Generation Charge (“LGC”).

<sup>11</sup> Electric Energy Commodity Cost (“EECC”) rates shown are an average of EECC summer rates from the applicable Time-of-Use (“TOU”) periods, except Lighting which has no TOU period pricing.

<sup>12</sup> Numbers may be off slightly due to rounding.



### III. ACCOUNTING OF PSPS EVENTS IN 2020

#### A. Summary of PSPS Events in 2020

In 2020, SDG&E activated four PSPS events in response to adverse weather and fire potential indices. Table 5 below provides the dates of each PSPS event in SDG&E's territory in 2020, along with the number of customers impacted per SDG&E's Post-PSPS Event Reports. More information on SDG&E's PSPS events can be found in SDG&E's Post-PSPS Event Reports.

*Table 5 - Summary of 2020 Impacted Customers per Post-PSPS Event Reports*

	Number of Impacted Customers Per Post-PSPS Event Reports		
2020 Events	Residential	Commercial/ Industrial	Total
September 8 - 9 <sup>13</sup>	41	8	49
October 26 - 27 <sup>14</sup>	3,355	1,018	4,373
November 26 - December 9 <sup>15</sup>	78,414	13,719	92,133
December 23 - 24 <sup>16</sup>	5334	1463	6797
Total	87,144	16,208	103,352

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<sup>13</sup> SDG&E Report on Public Safety Power Shutoff Event: September 8–9, 2020, filed on September 23, 2020, page 10, [https://www.sdge.com/sites/default/files/SDG%26E%20PSPS%20Post-Event%20Report\\_Sept%208%E2%80%939\\_FINAL\\_09-23-2020.pdf](https://www.sdge.com/sites/default/files/SDG%26E%20PSPS%20Post-Event%20Report_Sept%208%E2%80%939_FINAL_09-23-2020.pdf)

<sup>14</sup> SDG&E Report on Public Safety Power Shutoff Event: October 26–27, 2020, filed on November 10, 2020, page 11, [https://www.sdge.com/sites/default/files/SDG%26E%20PSPS%20Post-Event%20Report\\_October%2026%E2%80%9327\\_FINAL.pdf](https://www.sdge.com/sites/default/files/SDG%26E%20PSPS%20Post-Event%20Report_October%2026%E2%80%9327_FINAL.pdf)

<sup>15</sup> SDG&E Report on Public Safety Power Shutoff Event: November 26–December 9, 2020, filed on December 23, 2020, pages 32-35, [https://www.sdge.com/sites/default/files/SDGE%20PSPS%20Post-Event%20Report\\_Nov%2026Dec%209\\_FINAL\\_1.pdf](https://www.sdge.com/sites/default/files/SDGE%20PSPS%20Post-Event%20Report_Nov%2026Dec%209_FINAL_1.pdf)

<sup>16</sup> SDG&E Report on Public Safety Power Shutoff Event: December 23–24, 2020, filed on February 5, 2021, page 10, [https://www.sdge.com/sites/default/files/SDG%26E%20PSPS%20Post-Event%20Report\\_December%2023%E2%80%9324\\_Amended-Clean.pdf](https://www.sdge.com/sites/default/files/SDG%26E%20PSPS%20Post-Event%20Report_December%2023%E2%80%9324_Amended-Clean.pdf)

**B. SDG&E's Proposed Methodology for the Estimation of Unrealized Sales Associated with PSPS Events in 2020**

Using the proposed methodology described in Section II.B above, SDG&E presents the following methodology for estimating unrealized sales attributable to 2020 PSPS events. First, SDG&E identifies specific customer accounts that were impacted by the PSPS events in 2020. Table 5 above provides the dates of each PSPS event and the number of customers impacted per SDG&E's Post-PSPS Event Reports. In comparison, Table 6 below summarizes the number of customers impacted by customer class and the average outage duration per our load loss estimate, in comparison to the Post-PSPS Event Reports.

*Table 6 - Impacted Customers with Identified Load Data PSPS Events in 2020*

	Number of Impacted Customers with Identified Load Data for Load Loss Estimate						
2020 Events	Residential	Small Commercial	M/L Commercial and Industrial	Agricultural	Lighting	Total	Average Outage Duration (Hours)
September 8 - 9	38	2		2		42	6.8
October 26 - 27	3,294	534	50	254	1	4,133	7.0
November 26 - December 9	85,145	9,582	855	2941	9	98,532	24.9
December 23 - 24	5175	733	119	323	1	6351	11.7
Total	93,652	10,851	1024	3,520	11	109,058	

Second, SDG&E calculates consumption baselines for customers in each PSPS event in Table 6. SDG&E estimates loss of load by subtracting electric consumption in each event from the baseline. Table 7 below summarizes the unrealized sales for PSPS events by customer class.

*Table 7 - PSPS Unrealized Sales (kWh) for PSPS 2020 Events by Customer Class*

2020 Events	Residential	Small Commercial	M/L Commercial and Industrial	Agricultural	Lighting
September 8 - 9	178	7		2	
October 26 - 27	25,304	7,571	11,019	15,723	0
November 26 - December 9	1,373,252	228,809	500,091	313,541	246
December 23 - 24	69,169	17,732	56,691	19,826	4
Total	1,467,903	254,119	567,801	349,092	250

Third, SDG&E quantified the revenue impact for each customer class by multiplying the results from step 2 by the applicable energy rates. Table 8 below shows the rates that were used to perform the calculation and the resulting unrealized sales revenues. The total of all unrealized revenues for 2020 was \$359,757.

*Table 8 - PSPS Calculation of Unrealized 2020 Revenues by Customer Class*

Customer Class Rates (\$/kWh) <sup>17</sup>	Residential (TOU-DR1)	Small Commercial (TOU-A)	M/L Commercial & Industrial (AL-TOU)	Agricultural (TOU-PA3)	Lighting (LS-1, LS-2)
CTC	0.00096	0.00094	0.00089	0.00054	0.00007
LGC	0.01009	0.00705	0.00720	0.00412	0.00678
EECC <sup>18</sup>	0.14371	0.14286	0.09222	0.10209	0.06452
Total	0.15477	0.15084	0.10031	0.10674	0.07137
Total Unrealized Sales (kWh)	1,467,903	254,119	567,801	349,092	250
Total Revenue Impact (\$) <sup>19</sup>	\$227,189	\$38,332	\$56,956	\$37,262	\$18

Respectfully submitted,

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April 7, 2021

<sup>17</sup> Electric rates shown were approved in SDG&E AL 3619-E for rates effective October 1, 2020.

<sup>18</sup> EECC rates shown are an average of EECC summer rates from the applicable TOU periods, except Lighting which has no TOU period pricing.

<sup>19</sup> Numbers may be off slightly due to rounding.